

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6766

BILL NUMBER: HB 1095

DATE PREPARED: Jan 24, 2002

BILL AMENDED: Jan 24, 2002

SUBJECT: Soil and Water Conservation Districts.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill specifies that soil and water conservation districts shall be charged \$45 per day per examiner for examinations by the State Board of Accounts (SBA). Under current law, the districts pay the actual costs of the examinations.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The average audit for soil and water conservation districts costs about \$500 with an average audit time of about two days. The average cost of the audit as a percent of the budget for all districts ranged from a low of 0.38% in Marion County to a high of 8.54% in Hancock County.

Under the proposal, districts would reimburse the SBA at a rate of \$45 per day per examiner or, on average, \$90, for a difference of \$410 (\$500 minus \$90). All 92 counties have a soil and water conservation district. Multiplying the reduction in revenue of \$410 by the number of districts, or 92, would result in an estimated decrease in revenue of \$37,720. Audits are to be conducted on the districts once every two years, so the annual reduction in revenue would equal \$18,860 (\$37,720 / 2).

Audit fees collected are deposited in the State General Fund.

Explanation of Local Expenditures: (Revised) Soil and water conservation districts statewide could save an estimated \$18,860 per year on audit costs.

Explanation of Local Revenues:

State Agencies Affected: SBA.

Local Agencies Affected: Soil and Water Conservation Districts.

Information Sources: Larry Tippin, Office Supervisor, Special Districts, SBA, (317) 232-2517.